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TREASURY FOR MEWENS

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TAGS: [ETRD](#) [ECON](#) [PGOV](#) [PREL](#) [KJUS](#) [MARR](#) [EC](#)
SUBJECT: AMBASSADOR MEETS WITH NEW ECUADORIAN FOREIGN
MINISTER

REF: A. QUITO 2631
[1](#)B. QUITO 2626
[1](#)C. QUITO 1497

Classified By: Ambassador Linda Jewell for Reasons 1.4 (b&d)

[1](#)1. (C) Summary: Ambassador Jewell met one-on-one for the first time with new Foreign Minister Isabel Maria Salvador Crespo on December 26, during which the tone was positive and constructive, and Salvador appeared cordial, smart, warm and open. Salvador communicated the importance of maintaining good bilateral relations with the U.S. The new minister discussed her plans to restructure the Foreign Ministry, to focus on economic coordination and development, and to travel less. Salvador expressed her intention to engage the USG on the Economic Dialogue, promising to deliver a response in the next couple of weeks, and noted the importance of an extension of the ATPA. The Minister expressed concern over being responsible for the GOE,s initiative seeking compensation for non-exploitation of the ITT oil fields, because little groundwork has been laid and the project may not be feasible. On pending bilateral issues, the Foreign Minister demonstrated that she is willing to get things done.

The Minister maintains a good relationship with her ex-husband, Carlos Larreategui, member of the opposition UDC party, and still seeks his advice on issues as minister. End Summary.

[1](#)2. (C) The Ambassador had her first one-one-one meeting with newly-appointed Foreign Minister Isabel Maria Salvador Crespo (Ref A) over lunch December 27. The atmospherics were positive; Salvador came across as extremely cordial, smart, warm, and open. The Minister expressed the importance of working together in numerous areas of bilateral cooperation, and that she understands the importance of the bilateral relationship with the United States. For having been in office for only a few weeks, Salvador gave the impression of knowing the issues well, and seemed to have a good grasp of balancing the immediate needs of the MFA while working to improve its overall mission.

Diplomatic Restructuring

[1](#)3. (C) Salvador claimed she is very interested in reorganizing the Ministry so that the commercial function (absorbed into the Foreign Ministry this year) will be better

integrated within the MFA as well as with other ministries. This will include the hiring of 100 new diplomats, who should have commercial or economic experience, to bolster the MFA's ability to "sell Ecuador." She also wants to review Ecuador's global diplomatic representation, filling understaffed missions and repositioning diplomats to where their presence is most needed. As Minister, she plans to travel less than her predecessor, as she believes it "damages the functioning of the Ministry" to be gone too much. She was also realistic about the need to delegate in order to manage her large workload.

Economic Dialogue

14. (C) Following up on the discussion Ambassador Jewell had with Correa on December 11 (which Salvador attended), the Ambassador asked about plans for establishing a bilateral economic dialogue (Ref B). Salvador responded that the GOE wanted to move forward with a dialogue and was working on a response to the USG's list of proposed topics, which she hoped to provide in the next few weeks. The Ambassador reiterated her comment to Correa that the dialogue should focus on concrete issues where progress can be made. Vice Minister for Trade Ruales spoke with Embassy officials on December 26 to discuss moving forward quickly on the dialogue. When the Ambassador asked if Ruales would be the point person for the dialogue, Salvador hesitated, then responded that the GOE was "still thinking about that." (Note: this could indicate that Ruales is on his way out). Based on conversations with Ruales, the Embassy and GOE have agreed to meet the week of January 7 at the working level to discuss next steps on the dialogue. Although we do not know

what counterproposals the GOE will present, recent communication and plans to meet on the Economic Dialogue are positive signals.

ATPA

15. (C) On ATPA, Salvador noted the importance of an extension of the program. The Ambassador suggested that a public announcement that the GOE intended to pay the award in the Oxy VAT case would be extremely helpful in garnering support for Ecuador's case for ATPA extension. Salvador promised to talk with Petroleum Minister Galo Chiriboga about the issue.

ITT "Oil in the Ground" Proposal

16. (C) Salvador commented that she was very worried that the Foreign Ministry was responsible for the GOE's initiative seeking international compensation in exchange for not exploiting the ITT oilfield (located in the environmentally sensitive Yasuni national park), Ref C. President Correa formally presented the initiative in June, offering a one year period to receive donations before moving forward with oilfield development. Salvador said that the project was good in theory, but that no groundwork has been done. The Ministry is expected to sell the proposal to other countries, but Salvador does not think it is realistic to expect that the GOE will be able to collect the necessary funds by Summer 2008, given that the licitation process to develop the fields is going on in parallel, and that there is no legal structure for what will be done with the money nor legal guarantees that development won't take place.

Progress on Bilateral Issues

17. (SBU) Salvador commented on the importance of progress on the Isaias brothers extradition case. Ambassador reiterated a point she made to President Correa (Ref B) regarding the need for the GOE to provide documentation to make a strong legal case. Ambassador added that the Embassy stands ready to set up a video conference to put together attorneys from

both countries to determine next steps.

18. (SBU) On the Security Cooperation Dip Note exchange, the Ambassador noted that USG will provide a response to the GOE,s proposed revisions very soon. Salvador agreed to move the note through the GOE,s clearance process as quickly as possible. Embassy will double-track clearance of the Dip Note with the MOD as well.

19. (U) Salvador noted that she has already signed the Northern Border Extension agreement with USAID, which had been languishing at the MFA since September 2007. Another source confirmed for the Embassy that it had indeed been signed last week.

110. (C) Comment: Salvador,s private sector background combined with her experience as Minister of Tourism should serve her well in her new position. She gives the appearance of having a good relationship with the President, which is very important. The press has rumored that the previous Foreign Minister was not on good terms with the President at the end of her tenure, and lost important access as a result. During the previous foreign minister,s travel, the MFA was often unable to make progress on sometimes important pending issues, due to an apparent lack of delegated authority, which should no longer be an issue given Salvador,s comments on the need to delegate. The Embassy has enjoyed a good working relationship with Salvador in the past, which is expected to continue. End Comment.

111. (C) Bio Comment: Minister Salvador was born in Quito, Ecuador, on January 28, 1962, the third of five children of historian Jorge Salvador Lara (Ref A) and author Teresa Crespo Toral. Salvador has a 14 year old son from her first marriage with Carlos Larreategui, current Director of the University of the Americas (UDLA) and former deputy of the

national congress and member of the Democratic Christian Union (UDC) party, which is center right, and part of the opposition to the President,s PAIS majority bloc. Interestingly, Minister Salvador told the Ambassador that she maintains an open relationship with her ex-husband, Carlos Larreategui, and occasionally still seeks his advice on issues as minister. Salvador remarried more than three years ago to French national Yves Gautier, former Operations Manager of the Mariscal Sucre International Airport, but an embassy source said that she has since divorced again. Salvador,s brother Inigo and sister Elvira were quoted in the press that although she has always been interested in social issues, they had never imagined their "sensitive and teary" sister would be a businesswoman or that she would occupy a public office. End Comment.

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